

Message Text

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ORIGIN EUR-03

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DRAFTED BY EUR/EE:DNJOHNSON/SFROMOWITZ/LSEAGLEBURGER:DJW

APPROVED BY EUR/EE:NGANDREWS

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FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 235594

FOR WORTZEL FROM ANDREWS - REPLY FOR EUR/EE ONLY, 3 COPIES

E.O. 11652: GDS

TAGS: OGEN

SUBJECT: OFFICIAL-INFORMAL

1. WE HAVE, OF NECESSITY, FALLEN BACK TO ONCE A WEEK
THIS WEEK, BUT WILL SUPPLEMENT AS NECESSARY, PER YOUR
SUGGESTION.

2. MANY THANKS FOR YOUR TIP ON DETENTE AS A TOPIC FOR
KARDELJ. WE REACTED ACCORDINGLY. WE'LL BE SENDING YOU
THE PAPERS PREPARED FOR THE VISIT AND FOR THE VANCE-
MINIC BILATERAL AS SOON AS WE HAVE TIME TO GET THEM
TOGETHER.

3. KARDELJ ARRIVED YESTERDAY A FEW MINUTES LATE, AND
WAS WHISKED OFF TO BLAIR HOUSE. VANCE WAS UNFORTUNATELY
NOT ABLE TO CALL ON HIM IN THE AFTERNOON, BUT DID CALL HIM
FROM THE AIRPORT.

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4. THE BROWN VISIT NOW MOVES INTO HIGH GEAR. PM WILL
CHAIR A MEETING THIS WEEK TO GO OVER THE POLICY GUIDE-
LINES.

5. AMBASSADOR MET ON SEPTEMBER 27 WITH ASSISTANT
SECRETARY OF COMMERCE WEIL AND DISCUSSED FUTURE

COMMERCE INVOLVEMENT IN ZAGREB FALL FAIR. AMBASSADOR WILL UNDOUBTEDLY GIVE YOU THE DETAILS, BUT IT APPEARS THAT WEIL IS DISPOSED TO BE HELPFUL AND TO PUSH OIM IN RIGHT DIRECTION. AMBASSADOR WILL ALSO BE DISCUSSING FAIR WITH USIA DIRECTOR REINHARDT ON OCTOBER 6, AND HE WOULD APPRECIATE HAVING IN HAND CABLE SUMMARIZING EMBASSY EVALUATION OF FF.

6. ON SEPTEMBER 28 EXIM CHAIRMAN MOORE DELIVERED LETTER TO CEMOVIC, BEFORE LATTER'S DEPARTURE FROM WASHINGTON, WHICH SEEMS TO SHOW CONSIDERABLE FLEXIBILITY ON QUESTION OF SUPERGUARANTEES. WE HAVE TODAY POUCHED COPY OF LETTER TO LOMBARDY, BUT WE PARAPHASE HERE MAJOR POINTS:

(A) IN VIEW OF YOUR STATED WILLINGNESS TO PROVIDE FOREIGN EXCHANGE ASSURANCES, WE ENCLOSE DRAFT OF NB ASSURANCE THAT SUFFICIENT DOLLARS AVAILABLE TO SERVICE REPAYMENT (FOR LOANS, GUARANTEES AND INSURANCE TRANSACTIONS OVER \$4 MILLION).

(B) WE AWAIT RECEIPT OF LIST OF BANKS DESIGNATED BY GOY AS OFFERING ACCEPTABLE GUARANTEES. WE WILL, HOWEVER, NEED INFORMATION TO CARRY OUT FINANCIAL ANALYSES ON THESE BANKS; WE HAVE HAD DIFFICULTY GETTING THIS IN PAST, AND WELCOME YOUR OFFER TO HELP.
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(C) WE WILL REVIEW ADEQUACY OF SECURITY FOR EACH TRANSACTION, INCLUDING GUARANTEES BY INDIVIDUAL BANKS OR GROUPS OF BANKS.

(D) WE MAY NOT BE ABLE TO APPROVE A PARTICULAR TRANSACTION WITHOUT NB GUARANTEE BECAUSE OF INADEQUACY OF SECURITY, BUT WE WILL ALERT YOU TO THIS SO YOU CAN DECIDE WHETHER OR NOT IT IS IN YOUR INTEREST TO PROVIDE IT. AMBASSADOR SEEING ALBRIGHT AND MOORE TODAY FOR FURTHER DETAILS OF UNDERSTANDING.

7. OPIC QUESTION REMAINS SOMEWHAT FLUID, WITH CONSIDERABLE BUREAUCRATIC INFIGHTING OVER INTERPRETATION OF "EXCEPTION" CATEGORY. TREASURY'S BERGSTON UP IN ARMS OVER WHAT HE SEES AS STATE'S ATTEMPT TO MAKE IT MAJOR LOOPHOLE, WITH COOPER TAKING FAIRLY RESTRICTIVE VIEW WITHIN STATE. AMBASSADOR LEANED ON POATS AT CHRISTOPHER RECEPTION AND WILL SEE HIM AGAIN NEXT WEEK TO PUSH FLEXIBLE APPROACH FOR YUGOSLAVIA.

8. MEMCONS ON CEMOVIC WILL PROBABLY BE SLOW IN COMING, BUT HOPE THAT SUMMARY CABLE GIVES YOU FLAVOR.

9. FOR WORTZEL FROM EAGLEBURGER: MATT NIMETZ TOLD ME YESTERDAY THAT HE WILL BE IN BELGRADE WITH THE CSCE DELEGATION; THAT HE WILL SPEND MINIMUM TIME ON CSCE MATTERS; AND THAT HE IS READY TO BE HELPFUL ON YUGOSLAV MATTERS. HE WOULD LIKE, THEREFORE, APPOINTMENTS WITH WORTHWHILE YUGOSLAWS, AND IS READY TO PUT THE BETTER PART OF TWO WORKING DAYS INTO THE EFFORT. I WOULD APPRECIATE IT IF YOU AND MARK COULD WORK UP A TENTATIVE SCHEDULE AND SEND IT BACK TO HIM FOR HIS APPROVAL. IT SHOULD INCLUDE CALLS ON WORTHWHILE OFFICIALS (PERHAPS BERNARDIC, IF HE IS BACK), BUT
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MIGHT INCLUDE SOME OF MARK'S UNOFFICIAL, LESS-THAN-DEVOTED-TO-THE-REGIME CONTACTS AS WELL. MATT IS INVOLVED IN A RANGE OF EASTERN EUROPEAN ISSUES, SO YOU MIGHT WANT TO SUGGEST A MEETING OR TWO WITH YUGOSLAV OFFICIALS WORKING ON THAT AREA.

10. FOR MARK PALMER FROM JOHNSON: A LADY FROM S CALLED ABOUT THE PROOFS OF YOUR WIFE'S MANUSCRIPT. THE POUCH ROOM SAID THAT AN UNCLASSIFIED POUCH WENT OUT YESTERDAY MORNING AND SHOULD ARRIVE BY EARLY NEXT WEEK. THEY WERE NOT SURE WHAT WAS IN IT, BUT IF THE PROOFS DO NOT ARRIVE, PLEASE PHONE AGAIN WITH THE NAME, ADDRESS AND PHONE NUMBER (IF POSSIBLE) OF THE PUBLISHER.
CHRISTOPHER

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